GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Public Services – Commercial Tax Department - Report of Vigilance and Enforcement – Certain irregularities noticed in issuing irregular refunds granted in the cases of M/s. Suvarna Durga Bottles (P) Limited Hyderabad – Preliminary enquiry report - Conducted – Certain Irregularities noticed - Initiation of departmental action against Sri K.Hanumantha Rao, the then CTO, Bowenpally Circle, Presently working as Asst.Commissioner (CT), O/o. Commissioner (CT), Andhra Pradesh, Vijayawada – Under Rule 20 of A.P.C.S.(CC&A) Rules, 1991 – Articles of charges – Issued.

REVENUE (VIGILANCE-II) DEPARTMENT

G.O.Rt.No.218 **Dated:08.02.2018**
Read:

Ref: From the CCT's Ref.No.V1/564/2015, dt.14-12-2017.

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ORDER:

It is hereby proposed to hold an enquiry against Sri K.Hanumantha Rao, the then Commercial Tax Officer, Bowenpally Circle, Presently working as Assistant Commissioner (Commercial Tax), O/o. Commissioner (Commercial Tax), Andhra Pradesh, Vijayawada in accordance with the procedure laid down in Rule-20 of the Andhra Pradesh Civil Services(Classification, Control & Appeal) Rules, 1991.

2. The substance of the imputations of misconduct or misbehavior in respect of which the inquiry is proposed to be held is set out in the enclosed statement of article of charge (Annexure –I). A statement of imputations of misbehavior in support of the article is also enclosed in Annexure-II. A Copy of the documents in support of the charge are enclosed in Annexure –III.

3. Sri K.Hanumantha Rao, the then Commercial Tax Officer, Bowenpally Circle, Presently working as Assistant Commissioner (Commercial Tax), O/o. Commissioner (Commercial Tax) is directed to submit his explanation within 10 days from the receipt of this order i.e., written statement of defence and to state whether he desires to be heard in person.

4. Sri K.Hanumantha Rao, the then Commercial Tax Officer, Bowenpally Circle, Presently working as Assistant Commissioner (Commercial Tax), O/o. Commissioner (Commercial Tax) is informed that an inquiry will be held only in respect of those articles of charges which are not admitted, thus he should specifically admit or deny each article of charge.

5. Sri K.Hanumantha Rao, the then Commercial Tax Officer, Bowenpally Circle, Presently working as Assistant Commissioner (Commercial Tax), O/o. Commissioner (Commercial Tax), is further informed that if he does not submit his written statement of defence on or before the time specified in para 3- above, further action will be processed based on the material.

6. Attention of K.Hanumantha Rao, the then Commercial Tax Officer, Bowenpally Circle, Presently working as Assistant Commissioner (Commercial Tax), O/o. Commissioner (Commercial Tax) is invited to Rule-24 of Andhra Pradesh Civil Services (Conduct) Rules, 1964 under which no Government servant shall bring or attempt to bring any political or outside influence to bear upon any superior authority to further his interest in respect of matters pertaining to his service under the Government. If any representation is received on his behalf from another person in respect of any matter dealt with in these proceedings it will be presumed that Sri K.Hanumantha Rao, the then Commercial Tax Officer , Bowenpally Circle, Presently working as Assistant Commissioner (Commercial Tax), O/o. Commissioner (Commercial Tax) is aware of such representation and that it

Contd.2.,

has been made at his instance and action will be taken against him for violation of Rule-24 of the Andhra Pradesh Civil Services (Conduct) Rules, 1964.

7. The receipt of this order must be acknowledged forthwith.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Dr.D.SAMBASIVA RAO
SPECIAL CHIEF SECRETARY TO GOVERNMENT (CT, EXCISE & R&S)

To
Sri K.Hanumantha Rao, the then Commercial Tax Officer, Bowenpally Circle, Presently working as Assistant Commissioner (Commercial Tax), O/o. Commissioner (Commercial Tax). **through** the Commissioner of Commercial Taxes (with a request to serve charge memo on the individual and send served copy to this Government)

Copy to:
The Commissioner of Commercial Taxes, Andhra Pradesh, Eedupugallu, Vijayawada.
SC/SF

//FORWARDED :: BY ORDER//

SECTION OFFICER

ANNEXURE — I

Statement of Article of Charges framed against Sri K.Hanumantha Rao, formerly Commercial Tax Officer, Bowenpally Circle, presently working as Assistant Commissioner (CT), O/o.the Commissioner (CT), Andhra Pradesh, Vijayawada.

CHARGE I :-

That Sri. K. Hanumantha Rao while working as Commercial Tax Officer, Bowenpally, had passed assessment order in respect of M/s.Suvarna Durga Bottles (P) Limited, dealer selling old empty bottles and waived tax of Rs.1,52,33,719/- (Rs.85,01,735/- for the year 2008-09 and Rs.67,31,984/- for the period from April, 2009 to 8-10-2009), without verifying the conditions laid down in the Govt.Memo.No.26784/CT-II(1)/2012-8, dt.10.07.2013, causing loss to the exchequer and wrongful gain to the dealer.

CHARGE II:-

That Sri. K. Hanumantha Rao, formerly Commercial Tax Officer, Bowenpally Circle, being a quasi judicial authority has not taken any precaution and failed to cross verify from the distilleries and breweries as to whether they have paid tax on their purchase of old empty bottles, since M/s.Suvarna Durga Bottles (P) Limited have collected Value Added Tax from the Distilleries on the sales of old empty bottles, on one hand and on the other hand they have availed waiver of tax of demand and penalty which is not in accordance with the Government Memo. No.26784/CT-II(I)/2012-8 dt.10.07.2013. Thus, the waiver orders passed without cross verifying factually as to whether Value Added Tax was collected by the dealers from Distilleries, thereby leading to undue enrichment to the dealers at the cost of Government revenue.

Thus, Sri K.Hanumantha Rao, formerly Commercial Tax Officer, Bowenapally and presently Assistant Commissioner (Commercial Tax), O/o.the Commissioner (Commercial Tax), Andhra Pradesh, Vijayawada by his above mentioned acts has exhibited lack of integrity, devotion to duty and conduct unbecoming of Government servant and thereby contravened sub rule (1 & 2) of rule 3 of Andhra Pradesh Civil Services (Conduct) Rules 1964.

Dr.D.SAMBASIVA RAO
SPECIAL CHIEF SECRETARY TO GOVERNMENT (CT, EXCISE & R&S)

SECTION OFFICER

ANNEXURE — II

Statement of Imputation of mis-conduct in support of Article of Charges framed against Sri K.Hanumantha Rao, formerly Commercial Tax Officer, Bowenoally Circle, Presently working as Assistant Commissioner (CT), O/o.the Commissioner (CT), Andhra Pradesh, Vijayawada.

The Director General, Vigilance & Enforcement Department, Government of Telangana State, Hyderabad in his Vigilance Report No.44(119 V&E /R1(2014) dt.15-05-2015 has informed that a petition was received in the Vigilance & Enforcement headquarters alleging that certain dealers in empty bottles in the jurisdiction of Begumpet Division of Commercial Taxes Department engaged in the business of supplying of empty bottles to breweries and distilleries have claimed the benefit of tax waiver in collusion with the officers of Commercial Tax Department and it was alleged that M/s. Suvarna Durga Bottles Private Limited, was represented before the assessing authority that he has complied with the Government Memo., and were eligible for waiver of the tax demand and penalty it is alleged that Sri K.Hanumantha Rao, formerly Commercial Tax Officer, Bowenpally Circle and presently Assistant Commissioner (Commercial Tax), O/o.the Commissioner (Commercial Tax), Andhra Pradesh, Vijayawada had passed the assessment orders and waived the tax demand and penalty without verifying whether the conditions laid down in the Government Memo.No.26784/CT-II(1)/2012-8, dt.10.7.2013 were compiled with or not.

The waiver orders passed by Sri K.Hanumantha Rao, the then Commercial Tax Officer, Bowenpally is illegal for the reason that the dealer i.e., M/s.Suvarna Durga Bottles (P) Limited, have collected Value Added Tax from the Distilleries on the sales of old empty bottles, on one hand and on the other hand they have availed waiver of tax which is not in accordance with the Government Memo. No. 26847/CT-II (1)/2012-8, dt.10.07.2013. This has resulted in unjust enrichment to the dealer at the cost of Government Revenue. The waiver orders passed by Sri K. Hanumantha Rao, the then Commercial Tax Officer, Bowenpally Circle are prejudicial to the interest of revenue. The officer being a Quasi-judicial authority has not taken any precautions and failed to cross verify from the distilleries and breweries as to whether they paid tax on their purchase of old empty bottles. Without doing so the officer waived the tax which resulted in undue enrichment of Rs.1,52,33,719/- (Rs.85,01,735/- for the year 2008-09 and is Rs.67,31,984/- (for the period from April, 2009 to 8-10-2009) to M/s.Suvarna Durga Battles (P) Limited, and undue loss to Government Revenue. The waiver orders passed without cross verifying factually as to whether Value Added Tax was collected by the dealers from Distilleries, thereby leading to undue enrichment to the dealers at the cost of Government revenue.

In view of the above, the 'waiver' orders passed by the Commercial Tax Officer viz., Sri K.Hanumantha Rao are illegal and there is loss of revenue to a tune of Rs.1,52,33,719/- to the State Exchequer.

Thus, the said Sri. K.Hanumantha Rao, formerly Commercial Tax Officer, Bowenpally and presently Assistant Commissioner (Commercial Tax), O/o.the Commissioner (Commercial Tax), Andhra Pradesh, Vijayawada, by his above mentioned acts has exhibited lack of integrity, devotion to duty and conduct unbecoming of a Government Servant and thereby contravened sub rule (1 & 2) of rule 3 of Andhra Pradesh Civil Services (Conduct) Rules 1964.

Dr.D.SAMBASIVA RAO
SPECIAL CHIEF SECRETARY TO GOVERNMENT (CT, EXCISE & R&S)

SECTION OFFICER

ANNEXURE — III

List of Documents to speak in support of Article of Charges framed against Sri K.Hanumantha Rao, formerly Commercial Tax Officer, Bowenpally Circle, presently working as Assistant Commissioner (CT). O/o.the Commissioner (CT), Andhra Pradesh, Vijayawada.

1) Govt. Memo No. 26784/CT-II(I)/ 2012-8 dt. 10.07.2013.

2) Report from V&E Dept, Govt of Telangana in Vigilance Report No.44(119V&E/R1(2014), dt.15.5.2015.

3) Govt.Memo.No.10019/Vig.II(2)/2015-1. Rev. (Vig.II) Dept., dt.17.7.2015.

4) The Commissioner (CT), Telangana State Letter vide CCT's Ref. No.TS/V1/290/2015-1, dt.17.11.2015.

Dr.D.SAMBASIVA RAO
SPECIAL CHIEF SECRETARY TO GOVERNMENT (CT, EXCISE & R&S)

SECTION OFFICER

ANNEXURE-IV

List of Witnesses in support of Article of Charges framed against Sri K. Hanumantha Rao, formerly Commercial Tax Officer, Bowenpally Circle, presently working as Assistant Commissioner (CT), O/o the Commissioner (CT), Andhra Pradesh, Vijayawada.

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Dr.D.SAMBASIVA RAO
SPECIAL CHIEF SECRETARY TO GOVERNMENT (CT, EXCISE & R&S)

SECTION OFFICER